

## ***JANUARY 2002 TAX FACTS***

### **SUMMARY OF GENERAL FUND REVENUES**

	<u>January 2002</u>	Fiscal Year <u>Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$256,533,964	\$1,279,587,350
Percent Change	(11.7%)	(5.1%)
<b>Corporate Income Tax</b>		
Net Collections	\$6,561,461	\$175,151,380
Percent Change	(32.2%)	(45.0%)
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$281,757,548	\$1,739,491,313
Change	0.2%	(0.4%)
<b>Total Big Three Tax Types</b>		
Net Collections	\$544,852,973	\$3,194,230,043
Percent Change	(6.3%)	(6.4%)

# TAX FACTS

January 2002

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	January 2002	January 2001	% Change
Gross Collections	\$97,484,872	\$103,690,175	(6.0)
Withholding	201,771,003	229,465,406	(12.1)
Refunds	(7,565,530)	(9,634,615)	(21.5)
Urban Revenue Sharing	(35,156,381)	(33,037,720)	6.4
<b>Net Collections</b>	<b>\$256,533,964</b>	<b>\$290,483,246</b>	<b>(11.7)</b>
	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$267,432,344	\$295,943,415	(9.6)
Withholding	1,368,369,705	1,381,376,036	(0.9)
Refunds	(110,120,032)	(97,354,719)	13.1
Urban Revenue Sharing	(246,094,667)	(231,264,040)	6.4
<b>Net Collections</b>	<b>\$1,279,587,350</b>	<b>\$1,348,700,692</b>	<b>(5.1)</b>

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In January \$570,912 in alternative fuel vehicle credits were processed. After offsetting \$73,396 in tax liability, refunds for this credit totaled \$497,516. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

### Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	687	10,904	284	211	1	277	2,982	450	1,050	0	16,846
%	4.1	64.7	1.7	1.3	0.0	1.6	17.7	2.7	6.2	0.0	

The 16,846 returns filed through January 2002 compares to 31,106 returns filed during the same period of time in 2001 for an annual decrease of 45.8%. This count represents multiple tax years. For tax year 2001 filed in 2002, 11,255 returns have been filed, this represents a 58.1% decrease from 2000 returns filed in 2001 during the same period of time.

### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 5,156 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 6.0% growth in FAGI and a 4.3% increase in tax liability. More specifically, 29.0% of these filers experienced a decrease in tax liability; on average a decrease of 27.9% with a

corresponding average decrease in FAGI of 11.1%. Filers showing an increase in tax liability totaled 2,069 or 40.1%, with an average FAGI increase of 19.6% and an average tax liability increase of 32.1%.

### **Average Individual Income Tax Refund**

Beginning with calendar year 2001 taxpayers who chose to file their returns electronically were given the option to direct deposit their refund. The figures shown below includes direct deposits.

	Average	Number
2002 CYTD	\$474.37	11,773
2001 CYTD	\$365.35	16,165
% Change	29.8%	(27.2%)

### **"New" Filers in Calendar Year 2002**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 9,015 "new" returns have been filed thus far in 2002, representing approximately 10,608 persons, not including dependents. The average Federal Adjusted Gross Income for these 9,015 returns is \$15,932, with an average tax liability of \$133. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 17.4% had a married filing joint filing status, 1.8% claimed a 65 And Over Exemption and 63.7% claimed dependents.

### **Individual Income Tax Estimated Payments**

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. A total additional \$63.8 million in estimated payments was received as refunds on the 1999 tax returns applied to 2000 estimates, for an average of \$1,744. Estimated payments received through January 2002 for tax year 2001 were as follows:

01/02	140ES payment	\$108,449,439	Cumulative	\$324,775,812
01/01	140ES payment	\$44,452,479	Cumulative	\$264,666,035
	Percent change	144.0%		22.7%
01/02	Average payment	\$2,435	Cumulative	\$1,488
01/01	Average payment	\$4,189	Cumulative	\$1,457
	Percent change	(41.9%)		2.1%
01/02	Applied refund	\$388,646	Cumulative	\$65,649,550
01/01	Applied refund	\$334,983	Cumulative	\$62,452,602
	Percent change	16.0%		5.1%
Total 01/02		\$108,838,085	Cumulative	\$390,425,362
Total 01/01		\$44,787,463	Cumulative	\$327,118,636
	Percent change	143.0%		19.4%

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2000, which shows a growth rate of 5.6% in withholding payments over the fourth quarter of 1999. Growth in quarters for which information is still being gathered is as follows:

1 <sup>st</sup> Quarter 2001	3.1%	4 <sup>th</sup> Quarter 2001	(0.8%)
2 <sup>nd</sup> Quarter 2001	3.5%	1 <sup>st</sup> Quarter 2002	(6.0%)
3 <sup>rd</sup> Quarter 2001	4.9%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fourth month of information available for the fourth quarter of 2001 was compared against the fourth month of collections for the fourth quarter of 2000. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	418	\$164,370	\$393.23
Calendar Year 2001	1,197	\$447,891	\$374.18
% Change	(65.1%)	(63.3%)	5.1%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 2001, filed in 2002 and later, these options are available.

	January 2002	Calendar Year Total
Check Off	\$9,090	\$9,090
Voluntary Donation	\$315	\$315
Number of Returns	1,469	1,469

### **Contributions on the Individual Income Tax Return**

Through January 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	21	\$205	\$9.76
Child Abuse	34	\$651	\$19.15
Special Olympics	12	\$218	\$18.17
Neighbors Helping	5	\$30	\$6.00
AID to Education	2	\$31	\$15.50
Domestic Violence Shelter	21	\$181	\$8.62
Democratic Party	1	\$10	\$10.00
Republican Party	2	\$55	\$27.50
Libertarian Party	2	\$20	\$10.00
Reform Party	0	\$0	\$0
Green Party	0	\$0	\$0
Natural Law	0	\$0	\$0

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	January 2002	January 2001	% Change
Gross Collections	\$18,236,814	\$24,925,998	(26.8%)
Refunds	(\$11,675,352)	(\$15,242,745)	(23.4%)
Net Collections	\$6,561,461	\$9,683,254	(32.2%)

	<b>Fiscal Year Total (01/02)</b>	<b>Fiscal Year Total (00/01)</b>	<b>% Change</b>
Gross Collections	\$291,970,912	\$413,296,990	(29.4%)
Refunds	(\$116,819,533)	(\$95,060,554)	22.9%
<b>Net Collections</b>	<b>\$175,151,380</b>	<b>\$318,236,436</b>	<b>(45.0%)</b>

Included in the refund amounts shown above are refunds for the alternative fuel vehicle credit program. In January, \$0.1 million in corporate alternative fuel vehicle refunds was paid out; for the fiscal year, the total is \$5.1 million.

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

January 2002	\$10,554,292	Calendar Year Total	\$10,554,292
January 2001	\$17,620,895	Calendar Year Total	\$17,620,895
% Change	(40.1%)	% Change	(40.1%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for January 2002 and for the fiscal year.

<b>Size of Payment ➔</b>	<b>Less than \$50,000</b>	<b>\$50,000 up to \$100,000</b>	<b>\$100,000 up to \$500,000</b>	<b>\$500,000 up to \$1,000,000</b>	<b>\$1,000,000 up to \$10,000,000</b>	<b>\$10,000,00 0 and more</b>	<b>Total</b>	<b>% chg</b>
<b>January 2002</b>	151	13	13	2	1	0	180	(10.0%)
<b>January 2001</b>	159	17	16	4	4	0	200	
<b>CY 2001</b>	151	13	13	2	1	0	180	(10.0%)
<b>CY 2000</b>	159	17	16	4	4	0	200	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 12.5% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>96 &amp; Prior</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>00</b>	<b>01</b>
FY 00/01	12.5%	5.9%	3.0%	65.0%	13.4%	0.1%
<b>Corporate Fiscal Year-End:</b>	<b>97 &amp; Prior</b>	<b>96</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>
FY 01/02	7.5%	2.5%	3.0%	75.4%	11.5%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

January 2002	\$16,363,261	Calendar Year Total	\$16,363,261
January 2001	\$2,613,050	Calendar Year Total	\$2,613,050
% Change	526.2%	% Change	526.2%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through January 2002, 11,334 documents have been received for a fiscal year-end of 2001, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	35	8,642	467	86	2,104
%	0.3	76.2	4.1	0.8	18.6

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through January 2000, the Arizona Department of Revenue received 9,855 documents with a fiscal year-end of 2000. This represents a 15.0% increase in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2001/02 is based on net income tax collections in Fiscal Year 1999/2000. Amounts returned for January 2002 are shown on Table 2, at the end of this report.

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## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>January 2002</b>	<b>January 2001</b>	<b>% change</b>
Distribution Base	\$120,545,902	\$120,785,783	(0.2)
Non shared	224,156,493	221,902,056	1.0
Use Tax	15,989,545	17,756,984	(10.0)
Education Tax	41,897,607	0	N/A
Other Revenues	48,447,925	45,606,487	6.2
<b>Total Collections</b>	<b>\$451,037,472</b>	<b>\$406,051,310</b>	<b>11.1</b>

  

	<b>Fiscal Year Total (01/02)</b>	<b>Fiscal Year Total (00/01)</b>	<b>% change</b>
Distribution Base	\$726,498,989	\$725,613,221	0.1
Non shared	1,399,061,669	1,380,421,851	1.4
Use Tax	89,859,588	116,636,048	(23.0)
Education Tax	258,107,033	0	N/A
Other Revenues	299,540,388	275,894,318	8.6
<b>Total Collections</b>	<b>\$2,773,067,666</b>	<b>\$2,498,565,438</b>	<b>11.0</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	<b>January 2002</b>	<b>January 2001</b>	<b>% change</b>
Retained by State	\$281,757,548	\$281,159,966	0.2
Returned to Counties	48,811,358	49,028,090	(0.4)
Returned to Cities	30,123,034	30,256,767	(0.4)
Education Tax	41,897,607	0	N/A
Other	48,447,925	45,606,487	6.2
<b>Total Collections</b>	<b>\$451,037,472</b>	<b>\$406,051,310</b>	<b>11.1</b>

	<b>Fiscal Year Total (01/02)</b>	<b>Fiscal Year Total (00/01)</b>	<b>% change</b>
Retained by State	\$1,739,491,313	\$1,746,213,557	(0.4)
Returned to Counties	294,304,398	294,631,359	(0.1)
Returned to Cities	181,624,536	181,826,204	0.0
Education Tax	258,107,033	0	N/A
Other	299,540,388	275,894,318	8.6
<b>Total Collections</b>	<b>\$2,773,067,666</b>	<b>\$2,498,565,438</b>	<b>11.0</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>January 2002</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5.6	\$197,819	(72.3)	\$1,549,566	(44.4)
Non-Metal Mining/Oil & Gas	3.125%	484,141	(8.2)	3,795,298	(8.8)
Utilities	5.6%	22,058,459	3.6	187,066,560	2.5
Communications	5.6%	12,680,783	(4.3)	84,740,785	(0.1)
Railroads/Aircraft	5.6%	111,752	(22.4)	1,215,481	33.0
Private Car/Pipelines	5.6%	26,245	(72.6)	169,699	(72.6)
Publishing	5.6%	473,038	(15.2)	1,655,758	(53.4)
Printing	5.6%	1,289,440	(24.2)	10,251,062	(13.7)
Restaurants/Bars	5.6%	27,523,224	(0.2)	178,199,183	1.7
Amusements	5.6%	2,961,852	(4.5)	18,655,454	(5.8)
Commercial Lease	0%	275,362	N/A	477,092	(87.1)
Rental of Personal Property	5.6%	14,222,842	(7.9)	104,516,620	0.6
Contracting	3.75% - 5.6%	52,621,766	9.1	352,708,320	6.2
Feed Wholesale	Repealed	(664)	N/A	(7,946)	N/A
Retail	5.6%	203,528,342	0.7	1,133,389,742	0.9
Mining Severance	2.5%	20,643	(95.5)	197,872	(93.8)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	88	(18.3)	13,629	178.5
Hotel/Motel	5.5%	5,791,559	(16.7)	44,044,948	(12.9)
Membership Camping	5.6%	16,324	(25.8)	59,743	5.7
Use/Use Inventory	5.6%	15,989,545	(10.0)	89,413,177	(23.3)
Rental Occupancy Tax	3.0%	20,040	54.3	94,117	31.2
Jet Fuel Tax	\$.0305/\$.0105 gal	389,732	(16.7)	2,632,391	(4.6)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	528,480	27.0	3,785,853	32.3
Poison Control Fund	----	195,465	27.0	1,400,247	32.3
911 Wireline/Excise *	\$0.37 monthly per activated service	1,345,486	90.8	8,606,052	82.4
911 Wireless Service *	\$0.37 monthly per activated service	588,467	197.9	3,779,464	218.1
Agriculture Equipment	0%	20	N/A	21,064	N/A
<b>Total</b>		<b>\$363,340,250</b>	<b>0.4</b>	<b>\$2,232,431,230</b>	<b>(0.0)</b>

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

\* Effective July 1, 2001, the 911 taxes have changed. What was formerly called 911 Excise tax at 1.25% is now 911 Wireline at \$0.37 per month for each activated service. Additionally, 911 Wireless Service has also been changed from \$0.10 per month for each activated service to \$0.37.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>January 2002</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	3,956,371	(72.3)	\$30,991,322	(44.4)
Non-Metal Mining/Oil & Gas	15,492,501	(8.2)	121,449,541	(8.8)
Utilities	441,169,183	3.6	3,741,331,209	2.5
Communications	253,615,653	(4.3)	1,694,815,703	(0.1)
Railroads/Aircraft	2,235,044	(22.4)	24,309,619	33.0
Private Car/Pipelines	524,908	(72.6)	3,393,977	(72.6)
Publishing	9,460,764	(15.2)	33,115,155	(53.4)
Printing	25,788,804	(24.2)	205,021,249	(13.7)
Restaurants/Bars	550,464,486	(0.2)	3,563,983,650	1.7
Amusements	59,237,035	(4.5)	373,109,089	(5.8)
Commercial Lease	14,090,427	N/A	29,424,487	(83.2)
Rental of Personal Property	284,456,844	(7.9)	2,090,332,391	0.6
Contracting	1,052,435,324	9.1	7,054,166,431	6.3
Feed Wholesale	(141,565)	N/A	(1,694,190)	N/A
Retail	4,070,566,837	0.7	22,667,794,836	0.9
Mining Severance	825,732	(95.5)	7,914,884	(93.8)
Timber Severance	41	(42.3)	767,630	N/A
Hotel/Motel	105,301,071	(16.7)	800,817,228	(12.9)
Membership Camping	326,483	(25.8)	1,194,856	5.7
Use/Use Inventory	319,707,173	(10.0)	1,791,895,947	(23.1)
Rental Occupancy Tax	667,989	54.3	3,137,218	31.2
Agriculture Equipment	2,027	N/A	2,106,425	N/A
<b>Total</b>	<b>\$7,210,183,131</b>	<b>0.1</b>	<b>\$44,239,378,659</b>	<b>(0.6)</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In January 2002, 12,915,344 gallons of jet fuel were taxed, a 16.7% decrease from the 15,504,936 reported for January 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in January 2002 was \$1,198,995, a 3.7% increase from the \$1,155,773 claimed in January 2001. Accounting credits claimed-to-date in FY 01/02 equals \$8,996,622, a 7.1% increase from the \$8,394,207 claimed during the same period in FY 00/01.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.



### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>January 2002</u></b>	<b><u>January 2001</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$178,347,202	\$166,947,997	6.8
5311-5399	general merchandise stores	499,321,821	556,822,013	(10.3)
5411-5499	food stores (no food sales)	328,356,839	285,536,713	15.0
5511-5521	motor vehicle dealers	586,291,693	535,154,705	9.6
5531-5599	misc. automotive, motorcycle & boat stores	144,183,853	152,483,160	(5.4)
5611-5699	apparel & accessory stores	353,094,815	329,304,904	7.2
5712-5733	furniture, home furnishings & equipment stores	193,076,640	212,225,757	(9.0)
5912-5949	misc. retail stores	393,294,084	405,088,481	(2.9)
	<b>TOTAL</b>	<b>\$4,070,566,837</b>	<b>\$4,042,962,887</b>	<b>0.7</b>

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>Fiscal Year 2002</u></b>	<b><u>Fiscal Year 2001</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,265,216,109	\$1,155,049,003	9.5
5311-5399	general merchandise stores	2,126,809,921	2,357,879,433	(9.8)
5411-5499	food stores (no food sales)	1,752,256,468	1,766,456,762	(0.8)
5511-5521	motor vehicle dealers	4,466,189,330	3,943,616,252	13.3
5531-5599	misc. automotive, motorcycle & boat stores	1,108,425,246	1,074,846,848	3.1
5611-5699	apparel & accessory stores	1,437,122,168	1,395,143,799	3.0
5712-5733	furniture, home furnishings & equipment stores	1,156,083,492	1,236,056,312	(6.5)
5912-5949	misc. retail stores	1,586,515,324	1,611,363,298	(1.1)
	<b>TOTAL</b>	<b>\$22,667,794,836</b>	<b>\$22,466,255,206</b>	<b>0.9</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for January 2002 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$222,316	\$360,465	0.7	\$2,259,651	(19.2)
Cochise	1,817,804	891,620	1.8	5,284,690	(5.6)
Coconino	2,556,711	1,214,997	2.5	8,189,281	(3.2)
Gila	756,964	381,793	0.8	2,419,937	(5.2)
Graham	385,336	227,970	0.5	1,391,099	(3.9)
Greenlee	159,446	159,220	0.3	1,078,593	(40.5)
La Paz	272,582	143,101	0.3	851,771	1.0
Maricopa	82,806,435	31,644,324	64.8	189,703,710	1.6
Mohave	2,733,541	1,240,057	2.5	7,666,147	0.6
Navajo	1,537,256	744,365	1.5	4,799,059	1.1
Pima	18,742,304	7,500,635	15.4	44,594,283	(3.6)
Pinal	1,738,075	1,159,296	2.4	7,202,147	(1.1)
Santa Cruz	824,596	335,754	0.7	1,903,847	(2.1)
Yavapai	3,183,991	1,530,295	3.1	9,676,625	(1.2)
Yuma	2,808,544	1,277,465	2.6	7,283,557	7.8
<b>Total</b>	<b>\$120,545,902</b>	<b>\$48,811,358</b>		<b>\$294,304,398</b>	<b>(0.1)</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for January 2002 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during January 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax</b>	<b>Capitol Projects</b>	<b>Tourism Authority</b>
Apache		\$77,942							
Cochise		\$525,660							
Coconino		\$726,007	\$435,569						
Gila	\$245,993	\$231,565					\$0		
Graham		\$110,911							
Greenlee		\$33,627							
La Paz		\$77,401	\$77,453						
Maricopa	\$26,174,764		\$9,400,028	\$372,463	\$6,343				\$1,040,952
Mohave		\$397,930							
Navajo		\$435,205							
Pima				\$99,984		\$23,081			
Pinal	\$611,764	\$580,981							
Santa Cruz		\$227,208							
Yavapai		\$944,276	\$373,608						
Yuma		\$795,665	\$794,451					\$790,400	

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in January 2002. The table compares the receipts to January 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>January 2002</b>	<b>January 2001</b>	<b>% Change</b>
Spirituous	\$2,296,187	\$2,194,950	4.6
Vinous	925,940	1,060,549	(12.7)
Malt	1,850,484	1,657,305	11.7
Cigarette	12,076,182	13,152,240	(8.2)
Other Tobacco	301,392	279,157	8.0
Tobacco Licenses	400	75	433.3
<b>Total</b>	<b>\$17,450,584</b>	<b>\$18,344,275</b>	<b>(4.9)</b>

  

	<b>Fiscal Year Total (01/02)</b>	<b>Fiscal Year Total (00/01)</b>	<b>% Change</b>
Spirituous	\$12,610,334	\$12,490,757	1.0
Vinous	5,265,160	4,968,190	6.0
Malt	12,739,552	12,350,810	3.2
Cigarette*	89,395,664	90,538,881	(1.3)
Other Tobacco	2,098,763	1,972,490	6.4
Tobacco Licenses	2,175	5,025	(56.7)
<b>Total</b>	<b>\$122,111,648</b>	<b>\$122,326,154</b>	<b>(0.2)</b>

\*Through January 2002, \$393,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<b>January 2002</b>	<b>FY (01/02)</b>
Spirituous	\$1,607,331	\$8,827,234
Vinous	230,649	1,313,361
Malt	462,621	3,184,887
Cigarette	3,360,575	24,828,361
Other Tobacco	46,716	325,308
Tobacco Licenses	400	2,175
<b>Total</b>	<b>\$5,708,291</b>	<b>\$38,481,326</b>

### **Other dedicated revenues from luxury taxes:**

	<b>January 2002</b>	<b>FY (01/02)</b>
Correction Fund revenues	\$2,312,565	\$14,947,416
Health Care Fund revenues	8,503,496	62,911,907
Wine Promotional Fund revenues	3,344	11,716
Drug Treatment & Education Fund revenues	659,888	4,121,463
Corrections Revolving Fund revenues	263,001	1,637,820

**Estate Tax**

	January 2002	\$8,922,255	Fiscal year To Date	\$60,208,764
	January 2001	<u>\$6,364,472</u>	Fiscal year To Date	<u>\$47,333,994</u>
% Change		40.2%	% Change	27.4%

**Private Car**

	January 2002	\$2,290	Fiscal year To Date	\$1,509,545
	January 2001	<u>\$947</u>	Fiscal year To Date	<u>\$1,349,678</u>
% Change		141.8%	% Change	11.8%

**Bingo**

	January 2002	\$77,220	Fiscal year To Date	\$390,217
	January 2001	<u>\$80,844</u>	Fiscal year To Date	<u>\$398,844</u>
% Change		(4.5%)	% Change	(2.2%)

**Unclaimed Property**

	January 2002	\$731,889	Fiscal year To Date	\$30,482,138
	January 2001	<u>\$189,696</u>	Fiscal year To Date	<u>\$17,581,157</u>
% Change		285.8%	% Change	73.4%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2002 for Tax Year 2001**  
**Through January 2002**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	*	*	*	*	*	*	*	*	*	*
<b>\$0-\$5,000</b>	<b>1,392</b>	<b>15.4%</b>	<b>\$3,113</b>	<b>\$0</b>	<b>5.7%</b>	<b>65.9%</b>	<b>28.2%</b>	<b>0.3%</b>	<b>1.1%</b>	<b>40.9%</b>
\$5,000-\$10,000	2,102	23.3%	\$7,464	\$14	7.5%	49.7%	42.6%	0.1%	2.2%	56.8%
<b>\$10,000-\$15,000</b>	<b>1,845</b>	<b>20.5%</b>	<b>\$12,428</b>	<b>\$42</b>	<b>15.4%</b>	<b>29.4%</b>	<b>55.1%</b>	<b>0.2%</b>	<b>2.8%</b>	<b>72.5%</b>
\$15,000-\$20,000	1,437	15.9%	\$17,313	\$96	20.1%	25.5%	54.0%	0.4%	1.9%	73.2%
<b>\$20,000-\$25,000</b>	<b>929</b>	<b>10.3%</b>	<b>\$22,255</b>	<b>\$172</b>	<b>23.8%</b>	<b>20.8%</b>	<b>55.1%</b>	<b>0.2%</b>	<b>0.8%</b>	<b>78.2%</b>
\$25,000-\$30,000	448	5.0%	\$27,174	\$296	28.1%	25.6%	46.1%	0.2%	0.2%	72.4%
<b>\$30,000-\$40,000</b>	<b>443</b>	<b>4.9%</b>	<b>\$34,262</b>	<b>\$482</b>	<b>34.9%</b>	<b>30.6%</b>	<b>34.5%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>64.0%</b>
\$40,000-\$50,000	192	2.1%	\$44,557	\$743	47.4%	27.1%	24.5%	1.0%	2.1%	63.5%
<b>\$50,000-\$75,000</b>	<b>165</b>	<b>1.8%</b>	<b>\$60,312</b>	<b>\$1,008</b>	<b>70.9%</b>	<b>20.0%</b>	<b>9.1%</b>	<b>0.0%</b>	<b>0.6%</b>	<b>66.1%</b>
\$75,000-\$100,000	36	0.4%	\$84,364	\$1,606	72.2%	22.2%	5.6%	0.0%	0.0%	55.6%
<b>\$100,000-\$200,000</b>	<b>18</b>	<b>0.2%</b>	<b>\$123,008</b>	<b>\$3,295</b>	<b>94.4%</b>	<b>5.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>50.0%</b>
\$200,000-\$500,000	*	*	*	*	*	*	*	*	*	*
<b>\$500,000-\$1,000,000</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
<b>Total</b>	<b>9,015</b>		<b>\$15,932</b>	<b>\$133</b>	<b>17.4%</b>	<b>37.8%</b>	<b>44.5%</b>	<b>0.3%</b>	<b>1.8%</b>	<b>63.7%</b>

\*An asterisked line indicates that the information can not be released due to confidentiality laws.

**NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000**

<b>Total</b>	<b>239,848</b>		<b>\$19,759</b>	<b>\$353</b>	<b>18.8%</b>	<b>59.7%</b>	<b>19.2%</b>	<b>2.3%</b>	<b>7.5%</b>	<b>31.4%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**January 2002**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,762,689	202,705
Eagar	\$35,070	4,033	Surprise	268,249	30,848
Springerville	17,148	1,972	Tempe	1,379,377	158,625
St. Johns	28,427	3,269	Tolleson	43,253	4,974
<b><u>Cochise County</u></b>			Wickenburg	44,192	5,082
Benson	40,966	4,711	Youngtown	26,174	3,010
Bisbee	52,958	6,090	<b><u>Mohave County</u></b>		
Douglas	124,455	14,312	Bullhead City	293,650	33,769
Huachuca City	15,226	1,751	Colorado City	28,992	3,334
Sierra Vista	328,485	37,775	Kingman	174,517	20,069
Tombstone	13,079	1,504	Lake Havasu City	364,686	41,938
Willcox	32,462	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	42,757	4,917
Flagstaff	459,957	52,894	Pinetop-Lakeside	31,148	3,582
Fredonia	9,009	1,036	Show Low	66,914	7,695
Page	59,210	6,809	Snowflake	38,783	4,460
Williams	24,714	2,842	Taylor	27,618	3,176
<b><u>Gila County</u></b>			Winslow	82,784	9,520
Globe	65,097	7,486	<b><u>Pima County</u></b>		
Hayden	7,757	892	Marana	117,881	13,556
Miami	16,835	1,936	Oro Valley	258,266	29,700
Payson	118,437	13,620	Sahuarita	28,192	3,242
Winkelman	3,852	443	South Tucson	47,740	5,490
<b><u>Graham County</u></b>			Tucson	4,232,254	486,699
Pima	17,296	1,989	<b><u>Pinal County</u></b>		
Safford	80,280	9,232	Apache Junction	276,649	31,814
Thatcher	34,975	4,022	Casa Grande	219,344	25,224
<b><u>Greenlee County</u></b>			Coolidge	67,706	7,786
Clifton	22,574	2,596	Eloy	90,219	10,375
Duncan	7,061	812	Florence	148,299	17,054
<b><u>La Paz County</u></b>			Kearny	19,557	2,249
Parker	27,305	3,140	Mammoth	15,322	1,762
Quartzsite	29,166	3,354	Superior	28,296	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	312,033	35,883	Nogales	181,552	20,878
Buckeye	56,845	6,537	Patagonia	7,661	881
Carefree	25,453	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	32,418	3,728	Camp Verde	82,184	9,451
Chandler	1,535,519	176,581	Chino Valley	68,132	7,835
El Mirage	44,105	7,609	Clarkdale	29,757	3,422
Fountain Hills	175,960	20,235	Cottonwood	79,819	9,179
Gila Bend	17,218	1,980	Jerome	2,861	329
Gilbert	953,907	109,697	Prescott	295,119	33,938
Glendale	1,902,753	218,812	Prescott Valley	204,656	23,535
Goodyear	164,447	18,911	Sedona	88,628	10,192
Guadalupe	45,462	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	33,131	3,810	San Luis	133,238	15,322
Mesa	3,446,811	396,375	Somerton	63,184	7,266
Paradise Valley	118,820	13,664	Wellton	15,905	1,829
Peoria	942,315	108,364	Yuma	674,058	77,515
Phoenix	11,487,589	1,321,045			
Queen Creek	37,531	4,316	<b>TOTAL</b>	<b>\$35,156,381</b>	<b>4,045,436</b>

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**January 2002**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,509,378	202,705
Eagar	\$30,030	4,033	Surprise	229,700	30,848
Springerville	14,684	1,972	Tempe	1,181,150	158,625
St. Johns	24,342	3,269	Tolleson	37,037	4,974
<b><u>Cochise County</u></b>			Wickenburg	37,841	5,082
Benson	35,079	4,711	Youngtown	22,413	3,010
Bisbee	45,347	6,090	<b><u>Mohave County</u></b>		
Douglas	106,570	14,312	Bullhead City	251,450	33,769
Huachuca City	13,038	1,751	Colorado City	24,826	3,334
Sierra Vista	281,279	37,775	Kingman	149,437	20,069
Tombstone	11,199	1,504	Lake Havasu City	312,278	41,938
Willcox	27,797	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	36,613	4,917
Flagstaff	393,858	52,894	Pinetop/Lakeside	26,672	3,582
Fredonia	7,714	1,036	Show Low	57,298	7,695
Page	50,701	6,809	Snowflake	33,210	4,460
Williams	21,162	2,842	Taylor	23,649	3,176
<b><u>Gila County</u></b>			Winslow	70,888	9,520
Globe	55,742	7,486	<b><u>Pima County</u></b>		
Hayden	6,642	892	Marana	100,940	13,556
Miami	14,416	1,936	Oro Valley	221,151	29,700
Payson	101,417	13,620	Sahuarita	24,141	3,242
Winkelman	3,299	443	South Tucson	40,880	5,490
<b><u>Graham County</u></b>			Tucson	3,624,047	486,699
Pima	14,810	1,989	<b><u>Pinal County</u></b>		
Safford	68,743	9,232	Apache Junction	236,893	31,814
Thatcher	29,949	4,022	Casa Grande	187,822	25,224
<b><u>Greenlee County</u></b>			Coolidge	57,976	7,786
Clifton	19,330	2,596	Eloy	77,254	10,375
Duncan	6,046	812	Florence	126,987	17,054
<b><u>La Paz County</u></b>			Kearny	16,746	2,249
Parker	23,381	3,140	Mammoth	13,120	1,762
Quartzsite	24,974	3,354	Superior	24,230	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	267,191	35,883	Nogales	155,461	20,878
Buckeye	48,676	6,537	Patagonia	6,560	881
Carefree	21,795	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	27,759	3,728	Camp Verde	70,374	9,451
Chandler	1,314,853	176,581	Chino Valley	58,341	7,835
El Mirage	56,658	7,609	Clarkdale	25,481	3,422
Fountain Hills	150,673	20,235	Cottonwood	68,348	9,179
Gila Bend	14,743	1,980	Jerome	2,450	329
Gilbert	816,823	109,697	Prescott	252,708	33,938
Glendale	1,629,313	218,812	Prescott Valley	175,246	23,535
Goodyear	140,815	18,911	Sedona	75,891	10,192
Guadalupe	38,929	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	28,370	3,810	San Luis	114,090	15,322
Mesa	2,951,479	396,375	Somerton	54,104	7,266
Paradise Valley	101,745	13,664	Wellton	13,619	1,829
Peoria	806,898	108,364	Yuma	577,190	77,515
Phoenix	9,836,735	1,321,045	<b>TOTAL</b>	<b>\$30,123,034</b>	<b>4,045,436</b>
Queen Creek	32,138	4,316			

*The Office of Economic Research & Analysis  
Arizona Department of Revenue  
1600 W. Monroe  
Phoenix, AZ 85007*